

*Before the*  
UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Milan, Kansas 67105

Docket No. A2012-85

PUBLIC REPRESENTATIVE'S REPLY COMMENTS

(February 6, 2012)

I. INTRODUCTION

This case concerns an appeal of the Postal Service's decision to close the Milan ("My-linn") Post Office in Sumner County, Kansas. The Postal Service plans to provide the former customers of that office with rural route service out of the Argonia Post Office, 7 miles to the west.<sup>1</sup> Michele Norris filed the appeal on behalf of herself and 36 others who signed a petition included as part of her submission.<sup>2</sup> The Commission accepted the Norris Petition in Order No. 1041.<sup>3</sup>

II. THE COMMUNITY

Milan lies in south central Kansas, near the old Chisholm Trail, famous for the overland cattle drive, and in the heart of the Midwest's world-famous wheat-growing region.<sup>4</sup> Sumner County, in which Milan is located, borders Oklahoma.

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<sup>1</sup> See AR/Item No. 49 at 9 and (for direction) Mapquest.

<sup>2</sup> See Petition for Review by Michele Norris and Others (Norris Petition), filed November 23, 2011.

<sup>3</sup> See 76 FR 78954 (12/20/11).

<sup>4</sup> See <http://www.co.sumner.ks.us>.

According to an early history of Kansas, Milan was first surveyed in the fall of 1880, about 20 years after statehood.<sup>5</sup> The impetus was the arrival of the Kansas City Leavenworth and Southern Kansas Railroad. A Post Office predated the survey by several years, and is said to have been located in a little stone house three quarters of a mile southwest of town. In the spring of 1880, operations were moved to I.D. Moffitt's general store, which was the first building in Milan. At that time, as the following entry shows, I.D. Moffitt served as the first postmaster; there were a few small businesses; stage coaches served Wellington and Anthony; and mail came five times a week.<sup>6</sup>

**MILAN** -- 15 miles west of Wellington [the county seat]. ...  
It has a district school, and ships wheat. . . . Population 20.  
Stages to Wellington and Anthony. Mail, five times a week.  
I. D. Moffitt, postmaster.

On February 17, 1882, W.D. Baker, the town's saloonkeeper, was appointed postmaster. It is not clear why the torch was passed to Mr. Baker, but in the same year, I.D. Moffitt became head of the local Christian Church and preached each Sabbath in the schoolhouse.

Within six months of Mr. Baker's appointment, the post office became a "money order" office, and the first money order was purchased by Mrs. W. Carter, in favor of David Cook of Chicago. At that time (pre-1891), the Post Office Department's practice was not to extend the postal money order system to any post office where the postmaster's compensation was less \$250 a year and then only if application was made for the extension.<sup>7</sup>

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<sup>5</sup> Sources for this statement and other historical references are <http://www.kancoll.org/books/cutler/sumner/sumner-co-p12.html>; <http://www.rootsweb.ancestry.com/~kssumnhp/directories/1880dir.htm>; and *Kansas: a cyclopedia of state history*,... 1912 (Kansas Cyclopedia), Vol. II at 279, accessed via the web.

<sup>7</sup> See "The United States Post Office Domestic Postal Money Order System in the 19<sup>th</sup> Century: A Nascent Banking System," Terence M. Hines, Pace University and Thomas Velk, McGill University, May 2009) (Postal Money Order System) at 4 and 7 (White Paper), accessed at [www.postalmuseum.si.edu/industrywhitepapers/index.html](http://www.postalmuseum.si.edu/industrywhitepapers/index.html).

The following entry, apparently addressing Milan in the early 1900s, indicates the town still warranted “money order” status,” had two rural routes, and rail service under new ownership:

Milan, . . . on the Atchison, Topeka & Santa Fe R. R.  
15 miles west of Wellington, the county seat. It has a bank,  
a mill and elevator, a number of good retail stores, telegraph  
and express offices, and a money order post office with  
two rural routes.

Kansas Cyclopedia, Vol. II at 279.

Today, Milan is still rural, but is also considered part of the Wichita Metropolitan Statistical Area.<sup>8</sup>

### III. ISSUES RELATED TO THE INTERESTS OF THE GENERAL PUBLIC

There are three issues that involve the interests of the general public: the Postal Service’s approach to developing its economic savings estimate; the “railroad stop” question; and the relationship between the Milan Post Office’s operating status and the Postal Service’s suspension policy.

#### A. Estimated Savings

The Postal Service expects to save an estimated \$21,242 annually by closing the Milan Post Office, based on factors identified in the following table:

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<sup>8</sup> Source: <http://www.gosumner.com/node/46>

**Table 1**  
**Postal Service's Estimated Cost Savings**

<b>Year</b>	<b>Amount (in \$)</b>
Elimination of Postmaster Salary (EAS-53 level)	15,350
Elimination of Benefits (at 33.5%)	5,142
Elimination of annual lease expense	4,966
<b>Total</b>	<b>25,458</b>
Annual cost of replacement service	4,217
Postal Service Estimate	<b>21,241</b>

*Source:* Adapted from Administrative Record, Item No. 49 (Final Determination) at 9. (Section I, para. 5).

The estimated savings reflects the Postal Service's institutional position that salary and benefits should be estimated at what a Postmaster would receive at the Office, rather than at the OIC's level of compensation. (OIC compensation is generally understood as being lower than the stated Postmaster's salary and benefits). As shown, compensation at the Postmaster rate represents more than 80 percent of the expected savings. In addition, if the OIC continues to serve at another Post Office, the continuation of the (lower) OIC salary should be a consideration.

The Commission has addressed the Postal Service's approach on previous occasions, and is familiar with the consequences of its continued use.

#### B. The "Railroad Stop" Connection

The Postal Service agrees that the impact upon the Milan, Kansas community is an issue raised in the appeal. It notes: "... the statute recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that

role whenever the Postal Service proposes to close or consolidate a Post Office.”<sup>9</sup> It addresses matters it regards as showing it is responsive to this statutory factor, but appears to omit a response to the following issue, which was the first concern raised at the community meeting:

Postal Concerns

1. Concern (Unfavorable)

Customer inquired about a railroad stop that required a post office to remain.

Response:

Research would be completed and follow up with the customer.

AR/Item No. 25 at 1.

The Postal Service should not be held accountable for every link to the Nation's commercial and social life, but the post office/railroad stop concern seems to be a matter of first impression in “A” cases ... and one that may arise again, especially in rural areas. The Postal Service may have performed the research, as promised, and provided a response directly to the customer; however, neither the Administrative Record nor the Postal Service Comments appears to include any notation to that effect or, more significantly, the nature of the response. As the question is part of the Administrative Record, the response should also be included in the Administrative Record. In the absence of a response, it is not clear how the Headquarters reviewer could fully determine closing's “effect on the community.”

It is possible that the “post office connection rule” for railroad stops does not exist; or, if it exists, could be addressed with railroad officials if the Milan Post Office closes. In terms of those participating in this case, the Postal Service appears to be in the best position to provide a definitive answer.<sup>10</sup> The undersigned appreciates the

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<sup>9</sup> United States Postal Service Comments Regarding Appeal, January 23, 2012 (Postal Service Comments) at 9.

<sup>10</sup> The undersigned has done some initial research on this question, including an inquiry to BNSF (the freight rail company that now stops in Milan) and the Federal Railway Administration, but had not

Postal Service's interest in closing Post Offices to save money, but returning this matter to the Postal Service for the purpose of completing the record would be in the interests of the general public and would not appear to materially interfere with the Postal Service's larger objectives.

Moreover, the Item 4 in the Administrative Record includes a Postal Service-provided post office locator page. This page identifies both Argonia, the replacement office, and Mayfield as retail locations near Milan. The Postal Service makes no further representation about the Mayfield Post Office, but one respondent to the questionnaire seems to consider it a viable option, stating: "Would rather be recognized as part of Mayfield than Argonia." (AR/Item No. 21 at 2 ). Other respondents note that they bank in Mayfield.<sup>11</sup>

In short, Milan customers may assume that Mayfield is still a long-term option for option for retail services, but the Mayfield Post Office is on the July 26, 2011 RAOI closing list. In addition, the Geuda Springs Post Office, also located in Sumner County, is currently the subject of a docketed appeal (Docket No. A2012-75). Thus, Sumner County is experiencing a cutback in terms of the Postal Service's traditional physical presence. In fact, one customer, noting the loss of a school and other symbols of civilization, says: "We are going back to pioneer days slowly." AR/Item No. 38 at 2a. Given these anticipated changes, it would be useful if the Postal Service sheds light on the "railroad stop" question.

### C. Suspension Policy

The Postal Service Comments do not directly address the current operating status of the Milan Post Office, but the impression is that the Office is still open, pending the Commission's disposition of the pending appeal. It has been understood that the

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received a definitive as of the deadline for filing this document. The Postal Service's Publication 100 (available on the Postal Service's website, provides a concise history, and addresses the role of the railroad to some extent, but not this point.

<sup>11</sup> Gary Tracy Response and Mortimers' Response, also identified as AR/Item No. 21 at 2.

Postal Service has had a policy of not suspending post offices under appeal. It is not clear whether that policy has been maintained with respect to the Milan Post Office, given a radio news report stating “Sumner County post office closed its doors for the last time Tuesday. Located about 30 minutes west of Wellington, the United States Postal Service has decided the Milan office is not as profitable as others.”<sup>12</sup> In addition, a recording indicates the Milan Post Office telephone number is no longer in service.

The radio report may be in error and there may be another explanation for the recording, but it would be in the interests of the general public for the Postal Service to clarify its suspension policy and the current status of the Milan Post Office.

Respectfully submitted,

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<sup>12</sup> [http://www.kake.com/news/headlines/USPS\\_Closes\\_Milan\\_Post\\_Office\\_134727258.html](http://www.kake.com/news/headlines/USPS_Closes_Milan_Post_Office_134727258.html)